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C O N F I D E N T I A L SAN SALVADOR 001167

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TAGS: PGOV PREL ES

SUBJECT: DAS MADISON'S VISIT TO EL SALVADOR

Classified By: Ambassador Glazer for reasons 1.4 (b) and (d)

11. (C) Summary: During a September 28-October 1 visit to San Salvador, Deputy Assistant Secretary (DAS) Madison engaged key politicos from the left-leaning FMLN and the conservative, pro-U.S. ARENA parties on the upcoming elections, and discussed with GOES officials the prospects for extending the Comalapa Cooperative Security Location (CSL). She also gave a media interview with the largest circulation newspaper in which she outlined benefits to the region from CAFTA and law-enforcement cooperation. End summary.

Elections: The FMLN,s Take

- 12. (C) Salvador Samayoa: The former FMLN member and signatory to the 1992 Peace Accords is now a prominent political analyst. Samayoa said both parties faced credibility issues: ARENA with the economy, and the FMLN with Chavez. Samayoa said the FMLN leadership has not changed its ideology since the Peace Accords, and that the leadership is at odds with more open-minded party activists. Samayoa said this dynamic explains the rift between presidential candidate Funes and FMLN General Coordinator Medardo Gonzalez. While the Salvadoran system concentrates power in the President, Samayoa told the DAS that modern El Salvador has never seen a presidential candidate so at odds with the party he represents. Samayoa predicted that if Funes wins, he will not be a puppet for the FMLN. But, he added that a combination of an FMLN victory with Venezuelan cash would corrupt the Salvadoran political system. Nonetheless, he suggested that the U.S. should avoid getting directly involved in the Salvadoran electoral campaign, and limit public comments to exhortations for fairness and respect for the democratic process. Samayoa said the FMLN is convinced it will win, and that he is concerned that an unexpected ARENA victory would result in violence.
- 13. (C) FMLN Deputy Hugo Martinez: He said that the Salvadoran electorate is divided into three groups: one-third are strong ARENA supporters, one-third are strong FMLN supporters, and one-third are swing voters. He said that during the first month of the campaign (the official campaign season for the municipal and legislative elections began September 1) the FMLN,s efforts have been concentrated on winning these swing voters by focusing on social issues. He said the FMLN is working to transmit a message of peace and tranquility in order to attract new voters. When asked about the possibility of violence if the election was close, Martinez said that the FMLN was more concerned about fraud, especially after the Supreme Electoral Tribunal (TSE) recently eliminated the requirement that polling officials sign each ballot. He said that if the election was close, the possibility of fraud would increase.
- 14. (C) David Munguia Payes: The retired Salvadoran Army Colonel is widely-assumed to be the Minister of Defense if Funes wins. Munguia Payes told DAS Madison that he was

concerned about Funes, &delicate8 personal security situation. He said the FMLN was taking measures, but that the U.S. could help by providing information and intelligence. Munguia Payes indicated that the FMLN has information that &right-wing individuals8 have stated that saying that they &would not let Funes win.8 He then said that, although there have not been any political assassinations in El Salvador for many years, there are people on the far right who would not accept a change of government and could make some &bad decisions8. Munguia Payes also stated that right-wing belief that the FMLN would seek to abrogate the Amnesty Law also poses a risk to Funes, personal security. (Comment: We do not find these particular allegations credible. End comment.)

ARENA,s Take on the Elections

15. (C) Salvadoran Ambassador to the U.S. Rene Leon told DAS Madison that ARENA presidential candidate Rodrigo Avila "still has a chance to win," noting that Funes' initial lead of over twenty points had diminished. He acknowledged mistakes in Avila's campaign and said the candidate's inner circle was controlling the campaign, in his opinion, to the candidate's detriment. He said the campaign still lacked focus. Leon compared Avila's challenge to that faced by Senator John McCain, i.e., how to convince voters to support the ruling party while at the same time offering change. He said that, contrary to conventional wisdom, President Saca is giving Avila "all the room he needs" to run his campaign, but Avila has so far been "unable" to use that space. Leon said that although Avila is still suffering from ARENA's "traumatic" candidate selection process, he is &only four or five points behind Funes now.8 Leon identified three things that could save Avila's candidacy: the selection of a running mate; the selection of ARENA's candidates for the Legislative Assembly; and proposals to reorganize the justice system. Towards the end of the meeting, Leon expressed his fear that the presidential race could be extremely close, possibly just a few thousand votes, and that the FMLN, which is convinced it will win, will resort to violence.

The Cooperative Security Location (CSL)

16. C) MFA Vice Minister Calix: Calix, joined by Politcal Director Werner Romero, said that El Salvado is interested in extending the CSL agreement as moothly as possible. He mentioned that El Salvaor was not certain that the U.S. had wanted a siple extension, based on having seen an earlier US. note that requested an expansion of the agreemet. Calix said that the GOES was still considering the risks of legislative approval of an enhancedagreement. DAS Madison requested an answer to the most recent note, which postulated a simple extension; Calix said the GOES would answer as soon as possible, maybe within days. Calix and Romero expressed interest in adding additional missions to the CSL, and asked how a simple extension of the current agreement could accommodate these added missions. DAS Madison pressed for the simple extension, but added that any further discussion of enhanced missions would need to take place at a technical level with USG agencies in Washington.

17. (C) DAS Madison also discussed the CSL agreement with Ministry of Defense (MOD) Chief of Defense Policy Colonel Alvarado. Alvarado said that while the MOD realizes that the current political situation is sensitive, he believes the agreement could be expanded to include some additional missions rather than simply extended. He said that the MOD believed that with some effort, an expanded agreement could be approved by the Legislative Assembly. Alvarado noted that the FMLN would find it hard to obstruct an expansion of the agreement since that would contradict FMLN presidential candidate Mauricio Funes, public statements in favor of the CSL. DAS Madison urged avoiding these political risks by agreeing to the simple extension. She suggested follow-up

discussions on other missions subsequent to the extension. Alvarado concluded the session noting that El Salvador &feels threatened8 by Nicaraguan and Honduran actions that have harmed regional security.

The Merida Initiative, Public Security, and TPS

- 18. (C) DAS Madison discussed the Merida Initiative at length with MFA Vice Minister Calix and provided the state of play in the USG. Calix brought up the \$900 million security plan that Central American countries formulated, and asked where the Merida funding stood. He contrasted the Central American plan with the announced Merida funding, which would average \$6 million per country, and expressed his disappointment in the funding. Calix said that he hopes that some of the money can go through this year, and that in the future, perhaps after Congressional staff members travel to El Salvador and see results, more funding could materialize.
- ¶9. (C) DAS Madison also discussed public security with FMLN Deputy Martinez. Martinez said that the FMLN last week unveiled a proposal to amend the constitution to allow for wiretapping in some cases. He acknowledged that a proposal had already passed the Legislative Assembly, but said that it lacked sufficient safeguards to protect civil rights. (Note: A proposed constitutional amendment must pass the Legislative Assembly twice, the second time by a supermajority. End note.) He also said that while the FMLN wanted to include corruption in the list of crimes against which wiretapping would be admissible in court, ARENA did not consider this request. Martinez also said that even though wiretapping is currently illegal, it is nonetheless being used as a political tool.
- 110. (C) DAS Madison and Vice Foreign Minister Calix also discussed immigration and temporary protected status (TPS) for Salvadoran nationals. Calix said the GOES was pleased with the joint announcement on the TPS extension from Presidents Bush and Saca, and said that it shows the U.S. recognizes TPS as an important benefit that offers stability to many Salvadoran families. Calix said that El Salvador is looking forward to the upcoming U.S. elections to see how the

candidates respond to migration issues. He said that while he realizes Americans are concerned about porous borders, his government is trying to demonstrate that Salvadorans do not pose a threat to U.S. national security. (Comment: The high incidence of transnational street gang membership amongst Salvadoran immigrants, both legal and illegal, argues otherwise. End comment).

Left and Right Weigh in on the Economy

111. (C) DAS Madison met September 30 with FUNDE (National Development Foundation) President Roberto Rubio, who told her that that Salvadorans not receiving remittances are vulnerable to rising food and fuel prices. He also noted signs that U.S. economic problems are starting to affect remittances. Rubio described fiscal problems caused by rising subsidies and warned that, under worst-case scenarios, inadequate revenue growth and failure to refinance GOES debt would render the government unable to meet its short-term debt obligations within the next 2-3 years. Rubio was pessimistic about the direction the country may take if the FMLN does well in upcoming legislative and presidential elections. Noting that he served as FMLN representative in Europe during the war, Rubio said that he knows the FMLN leadership personally (&they are my friends8) and says their thinking has evolved little since the war. He suggested that without any constraints, the old guard FMLN would like to &go the way of Chavez and press for twenty-first century socialism.8 He did note that in the short term, the absence of a legislative majority and other constraints will likely limit the FMLN,s ability to carry

out these ambitions.

- ¶12. (C) During her meeting with FMLN Deputy Martinez, DAS Madison asked about recent statements by FMLN officials implying that they might reconsider dollarization and seek renegotiation of CAFTA. Martinez pointed out that Funes spoke to a business group earlier in the week, and that he reiterated that he would not reverse CAFTA nor revisit dollarization. Martinez said that the party has evolved and that the anti-CAFTA and anti-dollarization statements do not reflect the FMLN,s position today. Martinez then opined that even if the FMLN wanted to walk away from CAFTA and other pro-U.S. issues, the Salvadoran people would never allow anything that would damage relations with the U.S.
- 113. DAS Madison gave a media interview to El Diario de Hoy, the largest circulation newspaper in El Salvador, in which she outlined benefits to the region from CAFTA and law-enforcement cooperation. She highlighted the "Pathways to Prosperity" as a way to boost the process of trade liberalization and enhance regional cooperation and the USG's efforts to promote security efforts in the region through the Merida Initiative.
- 114. (C) Comment: DAS Madison's visit highlighted that we are still waiting for a formal GOES reply to our request to extend the CSL at Comalapa. It also highlighted the political polarization in the pre-election season, and anxiety over the possibility the FMLN could win in 2009. GLAZER